NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88-198(R) Texas Paid-Up (2/93)

OIL, GAS AND MINERAL LEASE (PAID-UP LEASE)

, 20 <u>0</u>9

THIS AGREEMENT made this	18th	day of	March	, 20 <u>09</u> , between
Timothy L. Rial and wife,	Willa B. Rial			

		,1	essor (whether one or more) whose addre	ess is
908 Merion Dr., Burleson,	, Texas, 76028			
DO D 450 D		nd Devon Energ	gy Production Company, L	, Lessee; whose address is
P.O. Box 450, Decatur, Te	exas 76234		; WITNESSETF	₹:
exclusively unto Lessee the lands subject h and their respective constituent elements) a surveys, injecting gas, water and other flu	ereto for the purpose of investigat and all other minerals, (whether or ids and air into subsurface strata, ephone lines and other structure	ing, exploring, prospecting not similar to those ment , establishing and utilizing	g, drilling and mining for and producing cond) and the exclusive right to conduct facilities for the disposition of salt water	herein contained, hereby grants, leases and lets oil, gas (including all gases, liquid hydrocarbons exploration, geologic and geophysical tests and er, laying pipelines, housing its employees and own said products; which lands are located in
29, Block 15, Thomas C	crossing, an addition to	o the City of For		nty, Texas, being all of Lot Texas according to the plat
SEE EXHIBIT "A" ATT	TACHED HERETO A	ND MADE A P.	ART HEREOF FOR ADD	OITIONAL PROVISIONS.
surveys, although not included within the	boundaries of the land particularly by Lessee for a more complete	y described above. The la e or accurate description of	nd covered by this lease shall be hereina if said Land and such amendment shall in	ether the same be in said survey or in adjacent after referred to as said Land. Lessor agrees to clude words of present lease and grant. For the ctually comprises more or less until such time as
Lessee requests a lease amendment and san 2. Subject to the other provisions hease shall be for a term of five (5) years frow the which said Land is pooled hereuthilling, testing, completing, reworking, reother actions conducted on said lands assoc	ne is filed of record, lerein contained and without refer om this date (called "primary term under. The word "operations" as a completing, deepening, plugging be dated with or related thereto.	rence to the commenceme (") and as long thereafter a used herein shall include b nack or repairing of a well	nt, prosecution or cessation of operations soil, gas, or other minerals is produced fr ut not be limited to any or the followings in search for or in an endeavor to obtain	s and/or production at any time hereunder, this rom or operations are conducted on said Land or ; preparing drillsite location and/or access road, production of oil, gas or other minerals and any
oil produced and saved from said Land; Le date of purchase or Lessee may sell any ro; the cost of treating the oil to render it mark all gases, processed liquid hydrocarbons as used off the premises or for the extraction exceed the amount received by Lessee for from such sale, it being understood that Le at the wells; (c) on all other minerals mine participating royalty interests, in said Land set forth herein. Lessee shall have free us injection and secondary recovery operation 4. If at the expiration of the primary or land or leases pooled therewith but oil (unless released by the Lessee), and it shall	ssee may from time to time purchayatty oil in its possession and pay tetable pipeline oil or, if there is me sociated therewith and any other of gasoline or other product their such gas computed at the mouth ossor's interest shall bear one-eight dand marketed, one-tenth either it, whether or not owned by Lesson of oil, gas and water from said as, and the royalty on oil and gas sly term or at any time or times after or gas is not being sold or used a nevertheless be considered that of	ase any royalty oil in its pollossor the price received to available pipeline, Lesso respective constituent elementers, the market value at the well, and provided fit the well, and provided fit the of the cost of all comprinched for value at the well and whether or not effect. Land, except water from hall be computed after ded or the primary term herein, and this lease is not then it and/or gas is being product.	pssession, paying the market price thereforly the Lessee for such oil computed at the firs interest shall bear one-eighth of the extensity, casinghead gas or other gaseous souther on gas sold at the wells the royalty ession, treating, dehydrating and transport or mine, at Lessee's election. Any royaltively pooled by Lessee pursuant to the placeton and the pooled by Lessee pursuant to the placeton and the placeton and the placeton and the placeton and sold of the placeton and the placeton and the placeton and the placeton and placeton an	eighth of the proceeds received from the sale of or prevailing for the field where produced on the e well; Lessor's interest shall bear one-eighth of sot of all trucking charges; (b) on gas, including substance, produced from said Land and sold or old or used provided the market value shall not shall be one-eighth of the net proceeds received tring costs incurred in marketing the gas os sold lity interests, including, without limitation, non-provisions hereof, shall be paid from the royalty Lessee may conduct hereunder, including water coing oil or gas in paying quantities on said Land ons or otherwise, this lease shall not terminate, of paragraph 2 herein. However, in this event, the address shove.
Lessee shall pay or tender as shut-in royal				pository bank for all shut-in royalty payments
provided however, in the event said well is each acre of said Land included in such unfail or refuse to accept such payment, Less to receive such payment or tenders. Such completion of such well, or (c) the date on (e) the date the lease ceases to be otherwis manner and upon like payments or tender periods of one (1) year each until such tin royalty payment shall not be required or, it payment regardless of how many times actender any such sum as shut-in royalty sha or market the minerals capable of being prordinary lease facilities of flowline, separa tenders royalty or shut-in royalty as herei	ship of said land or shut-in royalty located on a unit comprised of all it on which said shut-in well is loc es shall re-tender such payment which oil or gas ceases to be sold emaintained, whichever be the lat is on or before the next ensuing a neas this lease is maintained by pf a shut-in royalty payment is tendertual production may be commenced render Lessee liable for the amooduced from said wells, but in the tor, and lease tank, and shall not be nabove provided, two (2) or more	y payments) a sum determited a portion of said Land atted. If such bank (or any ithin thirty (30) days followed on or before the expiror used, or (d) the date this ter date. It is understood anniversary of the due date involuction or operations, lered, no additional shutting such and shut-in during such and shut-in d	ined by multiplying one dollar (\$1.00) pot and other land or leases a sum determine successor bank) should fail, liquidate, or wing receipt from Lessor of a proper recoration of ninety (90) days after (a) the erst lease is included in a unit on which a wind agreed that no shut-in royalty paymer for said payment, the Lessee shall continue the forest lease in the said production commence payment will be due until the next ensuith one (1) year period. Lessee's failure the terate to terminate this lease. Lessee agree the said production continued to market gas upon terms unaccee, entitled to receive same, Lessee may,	er acre for each acre then covered by this lease, and by multiplying one dollar (\$1.00) per acre for be succeeded by another bank or for any reason ordable instrument naming another bank as agent appropriate to the primary term, or (b) the date of the line of the primary term, or (b) the date of the line of the primary term. In like tinue to pay such shut-in royalty for successives within the applicable 90 day period, a shut-in ing anniversary of the due date for said tendered to pay or tender or to properly or timely pay or es to use reasonable diligence to produce, utilize or furnish facilities, other than well facilities and appropriate to Lessee. If at any time Lessee pays or in lieu of any other method of payment herein ordance with their respective ownerships thereof,
covered by this lease or with other land, le one or more of said substances, and may ledilled. Pooling in one or more instances and to conform in size or area with units as to acres each in area plus a tolerance of 10% governmental authority having jurisdiction or permitted by governmental regulations, as may be produced with the unitized gas execute in writing an instrument or instructural acreage is located. Such pooled unit shall such unit shall become effective on the data any time and from time to time after the destablished in accordance with the terms he executive mineral, royalty, non-participated. Lessee shall be under no duty to obtain an from any part of the pooled unit which ince this lease or the date of the instrument destand whether or not the well or wells be lead to a production from a gas pooled unit; pooled unit. In lieu of royalties above spec	ase or leases in the vicinity thereo be exercised at any time and from shall not exhaust the rights of Lesson any other stratum or strata, and othereof, and units pooled for gas he prescribe or permit the creation of The pooling for gas hereunder by any and the royalty interest payable ments identifying and describing the become effective as of the date at the such instrument or instruments original forming thereof by filing the such instrument or instruments original forming thereof by filing the such instrument of the such instrument of the such instrument of the such instrument or instruments original forming thereof by filing the such instrument of the such instrument of the such instrument or instruments or instruments original forming the pooling of such other or ludges all or a portion of said Landingnating the pooled unit, shall be ocated on said Land. The product and production from a gas well worified. Lesson shall receive on pro-	f. The above right and po- time to time during or as see to pool said Land or p pil units need not conform ereunder shall not substan of units larger than those s / Lessee shall also pool an to Lessor thereon shall b he pooled acreage and file provided for in said instru- are so filed for record. A an appropriate instrument effective pooling of the in leasehold interests in land tregardless of whether suc- considered for all purpose- tion from an oil well will be will be considered as prod- duction from a unit so pool	wer to pool and unitize may be exercised our the primary term, and before or after ortions thereof into other units. Units for as to area with gas units. Units pooled for highly exceed in area 640 acres each, pluspecified, units thereafter created may cord unitize all associated liquid hydrocarbox e computed the same as on gas. With meaning for recording in the office of the Coment or instruments, but if said instrument of record in the County in which said peterests of Lessor and Lessee hereunder and swithin the boundary of any pooled unith operations were commenced or such plus, except the payment of royalties, as oper considered production from the lease or gas pooled united only such portion of the royalty stipulied only such portion of the royalty stipulied.	and or any portion of said Land with other land with respect to oil, gas or other minerals, or any a well has been drilled, or while a well is being rmed by pooling as to any stratum or strata need or oil hereunder shall not substantially exceed 80 a tolerance of 10% thereof, provided that should afterm substantially in size with those prescribed as and any other respective constituent elements espect to any such unit so formed, Lessee shall County Clerk in the county in which said pooled ent or instruments make no such provision, then reased or decreased, at the election of Lessee, at cooled acreage is located. Any such pooled unit egardless of the existence of other mineral, non-unit which are not effectively pooled therewith, it. Operations on or production of oil or gas from said or oil pooled unit from which it is producing and from which it is producing and from which it is producing and not from an oil ated herein as the amount of said Land placed in einafter provided. Oil or gas produced from any

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such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said country at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty

- ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

 (b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided on a located among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon operations thereon.
- 6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises which remains in force and on which Lessee continues to conduct operations.
- 7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cossation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term. asse, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of on this lease, this lease shall remain in force so long as operations of said well or operations of many additional well on a adeage pooled the wind in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses
- 8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land without Lessor's consent.

 9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such
- ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U. S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment
- thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

 10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created h 10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby, nor be grounds for cancellation hereof in whole or in part. In the event Lesser considers that operations are not at any time being conducted in compliance with this lease, Lesser shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder; but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

 11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part; and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunde
- or in part; and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.
- 12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas th reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so preve shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.
- (b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed
- (c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations; and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.
- 13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein; and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

,	F 12	cuted on the date hist above white	Willa B. Riel
Timothy L. Rial		LESSOR	Willa B. Rial LESSOR
	<u> </u>	LESSOR	LESSOR
STATE OF	TEXAS	§	
COUNTY OF	TARRANT	§	
This instrument was	s acknowledged before me on	00-9000	by Timothy L. Rial and wife, Willa B. Rial
			Notary Signature:
AMY GOLDSMITH			Printed Name: Amy Goldsmith
Notary Public, State of Texas My Commission Expires			Notary Public, State of TEXAS
	August 21, 2010		My Commission Expires: August 21, 2010

EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated the 18th day of March, 2009 by Timothy L. Rial and wife, Willa B. Rial, as Lessor and Devon Energy Production Company, L.P., as Lessee.

- 1. Royalty: Notwithstanding anything contained in this lease to the contrary, wherever the fraction "one-eighth" (1/8th) appears in the printed portion of this lease the same is hereby amended to read "twenty-five percent" (25%).
- 2. <u>Term</u>: Notwithstanding anything contained in the Lease to the contrary, in Paragraph 2, the primary term is hereby amended to read "Two (2) years" and the words "Five (5) years" shall hereby be deleted.
- 3. <u>Costs.</u> It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, or marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, in the event Lessee determines in good faith that it can obtain a higher price at a market located outside of the local market, and Lessee incurs transportation costs charged by an unaffiliated interstate or intrastate gas pipeline in order to enhance the value of the oil, gas or other products, Lessor's pro rata share of such costs may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than the price received by Lessee.
- Assignment. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. In the event of an assignment of any portion of Lessee's interest hereunder, with the exception of assignments being made to officers, directors, and/or subsidiaries of Lessee, Lessee shall deliver to Lessor a copy of the recorded document regarding the interest so assigned. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this Lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this Lease then held by each.
- 5. <u>Waiver of Surface Use</u>; <u>Water</u>; <u>Seismic Operations</u>. Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon or conduct any operations (except for geophysical/seismic operations as stated below) on the leased premises. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands. Lessee shall make all reasonable efforts not to use residential or neighborhood streets or thoroughfares in developing the leased premises, and lands pooled therewith, or otherwise.

Lessee shall not have or acquire any rights in and to the water from the leased premises. No surface water or underground fresh water from the leased premises will be used for any reason,

including water flood or pressure maintenance purposes. Lessee shall comply with all applicable rules in disposition of salt water, brine, or other fluids utilized in or resulting from operations, and shall not cause or permit any such substances to damage or pollute the surface of the leased premises or any fresh water sands lying thereunder. The leased premises shall not be used for salt water disposal.

As provided above, Lessee shall have the right to conduct geophysical/seismic operations, but only by utilizing the vibroseis method, and Lessee shall pay for all actual damages incurred to the leased premises, which directly result from geophysical seismic operations.

Nothing in this Lease shall be interpreted as a waiver by Lessor of any setback or other requirements under the drilling or other applicable ordinances of the Cities of Burleson and/or Ft. Worth or the counties of Johnson and/or Tarrant.

- 6. <u>Noise.</u> Noise levels associated with Lessee's operations related to the drilling, completion and reworking of wells shall be kept to a reasonable minimum, taking into consideration reasonable available equipment and technology in the oil and gas industry, the level and nature of development and surface use elsewhere in the vicinity of Lessee's drill sites and the fact Lessee's operations are being conducted in or near an urban residential area. If Lessee utilizes any non-electric-powered equipment in its operations, including but not limited to compression equipment, Lessee shall take reasonable steps to muffle the sound therefrom by installing a noise suppression muffler or like equipment.
- Regulatory Requirements and Force Majeure. Lessee's obligations under this Lease, whether express or implied, shall be subject to all applicable laws, rules regulations and orders of the Cities of Burleson/Ft. Worth and any other governmental authority having jurisdiction including restrictions on the drilling, and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate because of such prevention or delay, and at Lessee's option, the period o such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this Lease when drilling, production or other operations are so prevented, delayed or interrupted. Lessee shall take all reasonable actions to remove or end any cause of Force Majeure for a period of more than eighteen (18) months or three (3) years of cumulative time. No obligation of Lessee to pay money that has accrued and was due before the Force Majeure event occurred under this Lease will be excused or delayed by reason of such Force Majeure.
- 8. <u>Indemnity.</u> LESSEE SHALL INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, SUCCESSORS, AND ASSIGNS FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, LOSSES AND DEMANDS FOR DAMAGE TO PROPERTY, PERSONAL INJURY OR DEATH, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, EXPERT FEES AND COURT COSTS, ARISING DIRECTLY OR INDIRECTLY FROM ACTIONS, INACTIONS OR OCCUPANCY OF THE LEASE PREMISES OR LANDS POOLED THEREWITH OF AND BY LESSEE OR ITS ASSIGNS OR THE AGENTS, EMPLOYEES, CONTRACTORS OR INVITEES OF EITHER OF THEM.
- 9. <u>Notices</u>; <u>Right to Cure.</u> All notices required or contemplated by this Lease shall be provided in writing to the individual Lessees. All such notices shall be made by registered or certified mail, return receipt requested, unless another means of delivery is expressly stated. No litigation shall be initiated by Lessor with respect to any breach of default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this Lease shall not be forfeited or canceled in whole or part unless Lessee is given a reasonable time (not to exceed 90 days) after said judicial determination to remedy the breach or default and Lessee fails to do so.

Waiver of Claims and Neighborhood Association and Committee Members. Lessor acknowledges that the terms of this Lease, the amount of the royalty and bonus paid hereunder, and all other terms negotiated with Lessee (herein the "Negotiated Terms") with respect to this Lease, were obtained as a result of negotiations between Lessee and the Community consisting of a committee of unpaid volunteers hereafter known as Committee Members. In consideration of the efforts spent by Committee Members in negotiating and obtaining the Negotiated Terms on behalf of Lessor and other property owners, Lessor, on behalf of the Lessor and the Lessor's agents, spouses, co-owners, predecessors, parents, subsidiaries, affiliated corporations or other affiliated entities, successors, partners, principals, assigns, attorneys, servants, employees, heirs, consultants, and other representatives, does hereby release and forever discharge Committee Members, from any and all claims, demand, obligations, losses, causes of action, costs, expenses, attorney's fees, and liabilities of any nature whatsoever, whether based on contract, tort, statutory or other legal or equitable theory of recover, whether known or unknown, past present, or future, which Lessor has, has had, or claims to have against the Committee Members.

SIGNED	FOR	IDENTIFICATIO	N٠
SIGNADA	IVIV		JN.

Timothy L. Rial

Willa B. Rial



DEVON ENERGY P O BOX 450

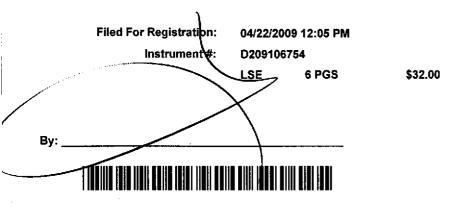
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TX 76234

Submitter: DEVON ENERGY

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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